

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE – 22 SEPTEMBER 2015

**PROVISION OF RESPITE CARE FOR ADULTS WITH
LEARNING DISABILITIES AT BEAREHILL HOUSE, BRECHIN**

REPORT BY MARGO WILLIAMSON, STRATEGIC DIRECTOR - PEOPLE

ABSTRACT

This report requests that committee grants an exemption from certain provisions of the Financial Regulations of Angus Council to allow for the contract for the provision of respite care for adults with learning disabilities at Bearehill House, Brechin to be renewed rather than re-tendered following negotiation with Four Seasons in relation to the future costs for the provision of the service.

1. RECOMMENDATION

It is recommended that the Social Work and Health Committee:

- (i) agrees to enter this contract for a period of 2 years with the option to extend for a further year.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 1 We have a sustainable economy with good employment opportunities
- 8 We have improved the health and wellbeing of our people and inequalities are reduced
- 9 Individuals are supported in their own communities with good quality services

3. BACKGROUND

- 3.1 Committee Report 271/09 Redesign of Learning Disability Services recognised the increased need for respite including support for complex nursing needs, residential respite and short breaks. At that time there was a range of different respite arrangements being provided through Social Work and Health care homes and commissioned from a range of private and voluntary sector care homes within and outwith Angus. This arrangement was unsatisfactory as there were insufficient facilities to meet the respite needs of people in Angus. Several of the facilities accessed were unsuitable and unable to meet the specific needs of people with a learning disability. The main service that was used for building based respite ceased to operate resulting in unmet need for many families who required building based respite.
- 3.2 A tender exercise was carried out for a new service and the contract awarded to Four Seasons Healthcare for a service to be delivered in Bearehill Care Home in Brechin (Article No 6, report no 359/10 refers). The contract with Four Seasons commenced on 12 April 2010, initially for a 2 year period. The contract was then extended for a further 2 year period, until 11 April 2014.
- 3.3 The extension to the contract ended on 11 April 2014, but in order to maintain the provision of respite care for adults with learning disabilities services have continued to be provided under the terms and conditions of this contract while a new contract was being negotiated.

- 3.4 Scotland Excel has recently undertaken a competitive tender for a Framework for Care Homes for Adults with Learning Disabilities and there was no interest from any providers in Angus. This accords with our intelligence on the local market.

4. CURRENT POSITION

- 4.1 The Council has been in discussions with Four Seasons Healthcare in relation to the future provision of the service. Four Seasons Healthcare advised the Council that the current costs for the service were unsustainable and provided the Council with revised costings based on the block purchase of 6 beds.
- 4.2 A benchmark exercise was undertaken by the Contracts Team to ascertain the costs paid by other local authorities for a similar service and to determine whether or not the revised costs provided by Four Seasons Healthcare were reasonable. The benchmarking exercise highlighted that the contract value of £262,542 currently being paid by the Council for the service, based on 6 beds, was low compared to similar services being commissioned by other local authorities. Evidence obtained showed that other local authorities were paying between £157,704 (internal provision) and £518,232 per annum. The majority of the costs fell within the range of £326,352 to £494,940.
- 4.3 The Contracts Team analysed the usage of the unit over the life of the contract. The analysis showed that on average 4 beds are required instead of 6.
- 4.4 Four Seasons Healthcare were asked to consider the block purchase of 4 beds with the option to spot purchase up to a further 2 beds. Four Seasons Healthcare provided the Council with revised costs based on this basis. In the event that the Council has a future requirement to spot purchase any other beds, over and above the 6, then this will be at a negotiated rate.

5. PROPOSALS

- 5.1 It is proposed to enter into a contract with Four Seasons Healthcare to commission 4 beds on a block basis at a cost of £329,668 per annum for a period of 2 years, commencing from 12 April 2015, with the option to extend for a further year. The costs for the 4 beds are significantly higher than the standard care home rate as the costs reflect the staffing and skills levels required to meet the needs of the service users. Based on our benchmarking exercise, the range being paid elsewhere for the equivalent of 4 beds is between £105,136 (internal provision) to £346,632. The proposed contract is within that range.
- 5.2 Angus Council also has the option to spot purchase up to a further 2 beds at a cost of £1,142 per bed per week if required. If this option is fully utilised the cost to the Council will equate to £118,768 per annum. In the event that Angus Council has a future requirement to spot purchase any other beds, over and above the 6, then this will be at a negotiated rate.
- 5.3 The duration of the contract is for a period of up to 3 years as the tender programme for 2015/16 is using all of the Contracts Team's staff resources. The market appraisal and stakeholder engagement/consultation, which will determine the Council's future commissioning intentions in relation to respite services, cannot commence until the current tenders have been completed.
- 5.4 Further reports of any proposed future commissioning arrangements for this service will be presented to Committee for approval.
- 5.5 The Corporate Procurement Manager has been consulted on the proposed exemption as required by Financial Regulations and has recommended approval within FR 16.24.10(c).

6. RISKS

- 6.1 The following risks have been identified:
- 6.2 If the proposal to enter into a contract with Four Seasons Healthcare is not approved by Committee then there is a high risk that Four Seasons Healthcare will take the decision to end the provision of the service.

- 6.3 If Four Seasons Healthcare were to end the provision of the service there will be a large amount of unmet carer respite for families in Angus due to there currently being no local suitable replacement facilities.
- 6.4 There is a low risk of Angus Council being challenged by other providers in relation to this proposal due to there not being any who are able to offer a dedicated Unit for this service at short notice. Legal and Democratic Services have been consulted and agree with this assessment.

7. FINANCIAL IMPLICATIONS

- 7.1 The current contract cost associated with the provision of 6 beds is £262,542. The proposed annual value of the renegotiated contract is £329,668 which is £67,126 higher based on a block purchase of 4 beds.
- 7.2 Angus Council has the option to spot purchase up to a further 2 beds at a cost of £1,142 per bed per week. If this option is fully utilised the cost to the Council will equate to £118,768 per annum.
- 7.3 The full cost of this service will be contained within the Adult Care budget.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Committee Report 271/09 Redesign of Learning Disability Services
- Committee Report 359/10 Respite Provision for Adults With Learning Disability

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